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SUBJECT: CORRUPTION IN TRINIDAD AND TOBAGO

REF: (A) PORT OF SPAIN 987, (B) PORT OF SPAIN 643

SENSITIVE BUT UNCLASSIFIED; PLEASE PROTECT ACCORDINGLY.

11. (SBU) SUMMARY: There is concern in Trinidad and Tobago over alleged corruption in the public and private sectors. This is a black mark for the ruling People's National Movement (PNM) and an impediment to Prime Minister Patrick Manning's goal of achieving developed country status by 2020. Transparency International's Global Corruption Report 2007 suggests that perceptions of corruption have stabilized, but the country's reputation is well below its high mark of just seven years ago. The GOTT has pledged to combat corruption and has some functioning mechanisms in place, but its implementation of relevant treaties, laws and regulations is insufficient, and its relations with interested civil society organizations are uneven. Throughout the 2007 general election campaign season, corruption charges have surfaced, though generally failed to gain any traction. Many candidates also have called for campaign finance laws, though this electoral season concern may fade after the November 5 vote. END SUMMARY.

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STATUS OF CORRUPTION: SOME EXAMPLES  
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12. (SBU) Despite its oil and natural gas resources, Trinidad and Tobago is a functioning and vibrant democracy and not a kleptocracy as is true with some other nations in a similar resource situation. Nonetheless, alleged corruption among public officials continues to be a concern. According to Transparency International's recently released Global Corruption Report 2007, Trinidad and Tobago received a Corruption Perceptions Index (CPI) score of 3.4 out of 10, a slight improvement from the 2006 rating of 3.2 but down from 5.3 in 2001, indicating that the perceived levels of corruption among public officials and politicians fall between "serious" and "rampant." In prior years, GOTT ministers have chafed at the CPI scores, complaining that TI's focus on perceptions has penalized T&T when the country ought to be getting credit for bringing high profile corruption cases to light and prosecuting officials from both ruling and opposition parties (several former parliamentarians and Ministers are facing charges). They also have complained that past leadership of TI's local chapter was politically motivated. Nevertheless, there are numerous allegations of continuing corruption at both high and low levels of government as well as allegations of police involvement in corrupt and illegal activities.

13. (SBU) There is a widespread perception that the police force is corrupt; however, the number of actual reported incidents is small. In 2006, prison service Commissioner John Rougier claimed there was a "rogue element" of police officers trafficking drugs, cell phones, and weapons within the country's prison systems. Petty corruption in connection with public services is widespread. In the case of the Transport Division Licensing Office, the widely acknowledged ability of unqualified applicants to obtain a driver's license and license plates for unsafe vehicles in exchange for a bribe, is cited as a

factor in deteriorating road safety.

¶4. (U) In one of the most notable corruption cases (ref a), the Privy Council is examining charges against suspended Chief Justice Satnarine Sharma for allegedly trying to influence a case against former PM and current UNC opposition leader Basdeo Panday. Panday's case involved his failure to declare a London bank account in violation of the Integrity Commission regulations (see below para seven for an explanation of the Commission; Panday lost his seat due to the still-in-court charges). Sharma's defense team is seeking to discredit his main accuser, Chief Magistrate Sherman McNicolls, by saying that the McNicolls took a bribe when handling Panday's case. Sharma's lawyers have also implicated Attorney General John Jeremie, stating that he assisted with securing this bribe. Jeremie dismissed the charges as rubbish and refused to testify in person, choosing to provide a written statement instead.

¶5. (U) Corruption is not only an issue among government and public officials; it is also an issue in Trinidad and Tobago's business world. A number of former government officials and business executives are still under investigation for complicity in bid-rigging by Florida-based companies that defrauded the GOTT during the Piarco International Airport development project. Several T&T business executives are currently fighting extradition to the U.S. to face charges under the Foreign Corrupt Practices Act in connection with the Piarco project.

¶6. (SBU) During the 2007 general elections, the Trinidad and Tobago Transparency Institute and many opposition politicians publicly stated that the country needed finance reform. Manning also agreed that this issue should be reviewed. How diligently this possibility might be pursued in the next parliament is an open question, though many observers expect it to quietly disappear from the list of priority concerns.

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COMBATING CORRUPTION  
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¶7. (U) The GOTT has taken a number of steps to deal with corruption. For example, over the years it has ratified the Interamerican Convention Against Corruption and the United Nations Anti-Corruption Convention, and has generally honored its obligations under those treaties. While numerous anti-corruption plans have been announced, the actual implementation of the plans is frequently weak and lacking in transparency. The legislation that established an Integrity Commission, an independent body that acts on allegations of impropriety against officials, for example, does not clearly specify which public entities fall under its jurisdiction. As a result, executives at state-owned enterprises are not required to file financial disclosures. That the law has some teeth, though, is clear in the legal suit that was brought against Panday.

¶8. (U) Trinidad and Tobago has a Freedom of Information Act that provides for public access to government documents upon application. However, critics charge that a growing number of public bodies are exempted from the Act's coverage. GOTT claims the exemptions were intended to avoid frivolous requests and searches for information.

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PUBLIC FINANCE  
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¶9. (SBU) In public finance, the GOTT is relatively transparent on the revenue side of its balance sheet, particularly when compared with other oil and gas producers in the developing world. The GOTT Finance Ministry publishes aggregate revenues and has been a consistent supporter of the Extractive Industries Transparency Initiative (EITI). While EITI implementation stalled in 2006-07, the GOTT Cabinet recently approved plans to revive its candidacy and the Energy Minister publicly announced this intention. Industry contacts support the view that T&T will have an easy time meeting its EITI commitments on transparency. The one weak spot in this picture is the government's reluctance to engage civil society

organizations, including the local chapter of Transparency International (ref B). TI's uneven relationship with the GOTT, which even some impartial observers blame in part on its previous confrontational director, hampers its ability to advance its agenda in this and other areas.

¶10. (SBU) GOTT spending, on the other hand, suffers from a lack of transparency, as large amounts of public expenditure are effectively off budget. Special-purpose State Enterprises spend huge amounts of public money on "mega projects" outside strict legal and institutional procurement frameworks. A government-appointed committee of experts issued a white paper in 2005 with a series of proposals to reform the procurement regime to enhance public accountability and reduce opportunities for corruption. However, after promising to implement the white paper in 2006 and 2007, the Prime Minister announced in August 2007 that its proposals were too cumbersome and would only slow the pace of infrastructure development. The GOTT claims infrastructure projects are all being done in full accord with the principles of "Value for Money, Transparency, and Accountability," but hard evidence of this is lacking. A frequently cited example is the USD\$1.1 billion Rapid Rail Project. This project, despite being a subject of intense political debate, is being implemented outside formal procurement procedures and with no financial feasibility study.

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COMMENT: SOME GOOD, SOME BAD  
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¶11. (SBU) The corruption picture in Trinidad is mixed, with transparency in some sectors and opaqueness in others. On the positive side the courts, press, Integrity Commission, and politicians show no hesitation to raise (and sometimes make up) these charges. Prime Minister Manning has occasionally been brushed by corruption charges from opposition figures, but these allegations have gone nowhere and his supporters assert he is scrupulously honest and a bulwark against corruption. The GOTT also is fairly transparent on the revenue side of the ledger, but less so on the spending side. That corruption, public and private, is a problem is widely believed and the growing lawlessness in society and drug-money influence also adds weight to this concern. To the extent the perception - or reality - of corruption grows, it could hamper Trinidad's drive toward first world status.

AUSTIN